

**FILED**  
Clerk  
District Court

**JAN 16 2008**

For The Northern Mariana Islands  
By \_\_\_\_\_  
(Deputy Clerk)

1 Stephen C. Woodruff  
2 Attorney and Counselor at Law  
3 2<sup>nd</sup> Flr., Hill Law Ofc. Bldg., Susupe  
4 Tokcha Avenue at Lulai Way  
5 P. O. Box 500770  
6 Saipan, MP 96950  
7 Tel.: (670) 235-3872  
8 Fax: (670) 235-3873  
9 Attorney for Plaintiffs

10  
11  
12 **IN THE UNITED STATES DISTRICT COURT**  
13 **FOR THE NORTHERN MARIANA ISLANDS**

14 **ESTINILIE ALCARAZ, ESPIE**  
15 **BALUSO, MARIETA P.**  
16 **GUINNACAO, SUSANA L.**  
17 **LORENZO, REMEDIOS E.**  
18 **MASANGKAY, MERLITA**  
19 **MOSQUERA, AGNES A. OCLARINO,**  
20 **ZENAIDA G. ROTAQ, and JEANIE**  
21 **DLC. SANTOS,**

22 **Plaintiffs,**

23 **-v-**

24 **HANSOLL TEXTILE, LTD., TOP**  
25 **FASHION CORPORATION, and**  
**HANDSOME TEXTILE SAIPAN**  
**CORPORATION,**

**Defendants.**

Civil Action No. **08-0003**

**COMPLAINT**

**I**  
**NATURE OF THE ACTION**

1. This is an action against Defendants under Title VII of Civil Rights Act of 1964, 42 U.S.C. §§ 2000e., *et seq.*, as amended, for their unlawful and discriminatory

1 employment practices towards Plaintiffs in violation of Plaintiffs' federally-protected  
2 rights.

3 2. Plaintiffs complain about employment discrimination based on national  
4 origin and other impermissible grounds described in this Complaint, including, but  
5 not limited to: (a) discriminatory policies, practices, and/or procedures in hiring,  
6 firing, transfer, and job assignments and (b) differential treatment. Plaintiffs are  
7 seeking lost earnings, punitive, expectation, incidental, consequential, and exemplary  
8 damages, and costs and attorney's fees to redress Defendants' unlawful and  
9 discriminatory employment policies, practices, and/or procedures.

## 10 11 II 12 JURISDICTION AND VENUE

13 3. Title VII of Civil Rights Act of 1964, 42 U.S.C. §§ 2000e, *et seq.*, as  
14 amended, ("Title VII") applies to this matter through the Covenant to Establish a  
15 Commonwealth of the Northern Mariana Islands in Political Union with the United  
16 States of America, Article V, § 502(a)(2).

17 4. This Court has jurisdiction over Plaintiffs' Title VII claims pursuant to  
18 42 U.S.C. § 2000e-5(e)(3), 28 U.S.C. § 1331(a) (federal question jurisdiction), and  
19 28 U.S.C. § 1337(a) (proceedings arising under any Act of Congress regulating  
20 commerce).

21 5. This action is authorized and instituted pursuant to Section 706(f)(1) and  
22 (3) of Title VII, 42 U.S.C. §§ 2000e-(f)(1) and (3).

23 6. This Court has jurisdiction over Plaintiffs' non-Title VII claims pursuant  
24 to 28 U.S.C. § 1367(a) (supplemental jurisdiction).

25 7. Venue in this Court is proper pursuant to 28 U.S.C. § 1391 and  
42 U.S.C. § 2000e-5.(f)(3) because Defendants' unlawful and discriminatory

1 employment practices alleged herein were committed in Saipan, Commonwealth of  
2 the Northern Mariana Islands.

3  
4 **III**  
**PROCEDURAL REQUIREMENTS**

5 8. On June 19, 2006 and July 19, 2006, Plaintiffs filed charges of  
6 discrimination with the Equal Employment Opportunity Commission ("EEOC") in  
7 Saipan, Commonwealth of the Northern Mariana Islands. The charges were filed  
8 within one hundred eighty (180) days after the occurrence of one or more of the  
9 unlawful and discriminatory employment practices alleged herein pursuant to  
10 42 U.S.C. § 2000e.5(e)(1).

11 9. On October 9, 2007, the EEOC issued to Plaintiffs Notices of Right to  
12 Sue. Plaintiffs are filing this complaint within ninety (90) days after the date they  
13 received the Notices of Right to Sue in compliance with 42 U.S.C. § 2000e-5(f)(1) and  
14 29 U.S.C. § 626(e). Attached hereto as **Exhibits "1" to "9"** and incorporated by  
15 reference are true copies of the Notices of Right to Sue.

16 10. All jurisdictional prerequisites to the institution of this lawsuit have been  
17 fulfilled, and Plaintiffs have exhausted their administrative remedies as required by  
18 law.

19  
20 **IV**  
**PARTIES**

21  
22 11. Plaintiffs, at all relevant times, were residing in Saipan, Commonwealth  
23 of the Northern Mariana Islands (CNMI), and were employees of Defendants, within  
24 the meaning of Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. §  
25 2000e.(f).

1           12. Defendant **HANSOLL TEXTILE, LTD.** (Hansoll), on information  
2 and belief, is, and at all relevant times was, a corporation registered under CNMI laws  
3 and doing business in Saipan, CNMI.

4           13. Defendants **TOP FASHION CORPORATION** (Top Fashion), and  
5 **HANDSOME TEXTILE SAIPAN CORPORATION** (Handsome), on  
6 information and belief, are, and at all relevant times were, corporations organized and  
7 existing under the laws of the CNMI having their principal place of business in  
8 Saipan, CNMI.

9           14. Defendants Hansoll, Top Fashion, and Handsome (referred herein as  
10 Defendants), and each of them, are, and at all relevant times were, engaged in an  
11 industry affecting commerce within the meaning of 42 U.S.C. § 2000e.(g)(h) and  
12 employed more than 15 employees, and were employers of Plaintiffs within the  
13 meaning of Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. §  
14 2000e.(b).

15           15. Plaintiffs are informed and believe, and thereon allege, that Defendants  
16 Hansoll, Top Fashion, and Handsome are, and at all relevant times, were Plaintiffs'  
17 joint employers by virtue of a joint enterprise.

18           16. Plaintiffs have performed services for each and every Defendant, and to  
19 the mutual benefit of each, and each Defendant shared control of Plaintiffs as  
20 employees, either directly or indirectly, and in the manner in which the business of the  
21 Defendants is conducted.

22           17. Plaintiffs are informed and believe, and thereon allege, that there exists  
23 such a unity of interest and ownership between and among the Defendants that the  
24 individuality and separateness between them have ceased to exist. The business  
25 affairs of Defendants, are, and at all relevant times hereto, were so mixed and

1 intermingled that the same cannot reasonably be segregated, and the same are in  
2 inextricable confusion.

3 18. Plaintiffs are informed and believe, and thereon allege, that Defendant  
4 Handsome is, and at all times relevant hereto was, used by Defendants Hansoll and  
5 Top Fashion as a mere shell and conduit for the conduct of their affairs. The  
6 recognition of the separate existence of the Defendants would not promote justice, in  
7 that it would permit the Defendants, or one of them, to insulate themselves from  
8 liability to Plaintiffs. Accordingly, Defendant Handsome constitutes the alter ego of  
9 Defendants Hansoll and Top Fashion, and the fiction of their separate existence must  
10 be disregarded in equity and for the ends of justice because such disregard is necessary  
11 to avoid fraud and injustice to Plaintiffs.

12 19. Plaintiffs are informed and believe, and thereon allege, that the business  
13 affairs of Defendants are so intertwined as to constitute a single entity.

14 **V**  
15 **STATEMENT OF FACTS**

16 20. Plaintiffs are nonresident workers from the Republic of the Philippines  
17 who, at all relevant times herein, were employed by Defendants in various capacities  
18 pursuant to employment contracts and conditional grants of transfer approved by the  
19 CNMI Department of Labor (DOL).

20 21. Prior to their hiring, Plaintiffs applied for jobs at the personnel office of  
21 Defendant Top Fashion and when hired, were told that they would be assigned to  
22 work for Top Fashion's sister company, Defendant Handsome, Plaintiffs' employer  
23 of record in DOL.

24 22. Plaintiffs are informed and believe, and thereon allege that, at all relevant  
25 times, Defendants Top Fashion and Handsome engaged in a workers-sharing scheme.  
At various times, workers of Handsome, including some of the Plaintiffs, were

1 assigned to Top Fashion, while Top Fashion's workers were, at various times,  
2 assigned to Handsome.

3 23. Plaintiffs are informed and believe, and thereon allege that, at all relevant  
4 times, Defendants Top Fashion and Handsome also shared workers' facilities as some  
5 Chinese workers of Handsome were allowed to use and stay in the employees'  
6 barracks provided by Top Fashion.

7 24. Plaintiffs are informed and believe, and thereon allege that workers of  
8 Defendant Handsome, including Plaintiffs, at all relevant times, were required to seek  
9 prior permission and clearance from Defendant Top Fashion before they can obtain  
10 medical treatment at the hospital.

11 25. At all relevant times, Defendants Hansoll and Top Fashion held  
12 themselves out publicly as joint-owner or joint-operator of Top Fashion's garment  
13 factory located in Tanapag, Saipan, CNMI. The business names of both Hansoll and  
14 Top Fashion were prominently listed in a business sign displayed at the entrance gate  
15 to Top Fashion's factory.

16 26. Plaintiffs are informed and believe, and thereon allege, that, at all  
17 relevant times, Defendant Hansoll dictated and determined the designs and  
18 specifications of garment products manufactured by Defendants Top Fashion and  
19 Handsome.

20 27. Sometime in May 2006, officials of both Defendants Top Fashion and  
21 Handsome informed Plaintiffs that Handsome will be closing down in July 2006.

22 28. Plaintiffs are informed and believe that beginning sometime in March  
23 2006 and until sometime in June 2006, Defendant Handsome had transferred more  
24 than 100 Chinese workers to work at its sister company, Defendant Top Fashion.  
25

1       29. Plaintiffs, all Filipino nationals, were not transferred by Defendant  
2 Handsome to or given available work at Defendant Top Fashion.

3       30. The differential treatment between Filipino workers, like Plaintiffs, and  
4 Chinese workers, in terms of, *inter alia*, hiring, transfer, employment opportunities,  
5 and work assignments occurred as a pattern and practice throughout Plaintiffs'  
6 employment with Defendants.

7       31. As a result of Defendants' pattern and practice of discrimination based  
8 on national origin, Plaintiffs, like other Filipino workers, experienced harm, including  
9 loss of earnings, wages, and other employment benefits. This pattern and practice  
10 includes being denied available work assignments at and transfer to Top Fashion due  
11 to national origin. Plaintiffs were subjected to national origin discrimination at work,  
12 so severe and pervasive, that affects the terms and conditions of their status as  
13 employees.

14  
15                                   **VI**  
16                                   **CAUSES OF ACTION**

17                                   **First Cause of Action**  
18                                   Violation of Title VII

19       32. Paragraphs 1 through 31 above are incorporated herein by reference as if  
20 fully pleaded in this First Cause of Action.

21       33. Defendants' discrimination of Plaintiffs on account of their national  
22 origin constitutes an unlawful employment practice in violation of 42 U.S.C. Section  
23 2000e-2(a)(1)(2).

24       34. Defendants' unlawful and discriminatory practices as alleged above  
25 deprived Plaintiffs of equal employment opportunities or otherwise adversely affected  
their status as employees due to their national origin.

35. As a direct and proximate result of Defendants' unlawful and discriminatory practices, Plaintiffs suffered and continue to suffer loss of earnings to which they otherwise would have earned had they not been discriminated against.

36. Defendants engaged in the above-described conduct against Plaintiffs with malice and in reckless disregard of Plaintiffs' federally-protected rights thereby entitling Plaintiffs to punitive damages in an amount to be determined at trial.

## Second Cause of Action

### Breach of Contract

37. Paragraphs 1 through 31 above are incorporated herein by reference as if fully pleaded in this Second Cause of Action.

38. Defendants, at all relevant times, have represented to Plaintiffs, in their employment contracts, that Defendants' employment relationship with Plaintiffs would be based upon good faith, that Plaintiffs would be treated fairly and equitably, that Plaintiffs would be judged on the basis of individual merit and ability, and that Plaintiffs would not be discriminated against. These provisions and representations form part of Plaintiffs' express employment contract with Defendants.

39. Prior to Plaintiffs' discharge, Plaintiffs had performed all conditions, covenants, promises, duties, and responsibilities required of them to be performed in accordance and in conformity with their employment contracts with Defendants.

40. Defendants' terminations of Plaintiffs were in violation of the employment contracts because, at all relevant times, there was no complete closure of Defendants' business operations and the purported closure was a mere pretext to discriminate against Plaintiffs based on national origin.

41. On the date of Plaintiffs' discharge, Defendants breached the employment contracts and wrongfully failed to judge Plaintiffs on the basis of merit and ability, and, thus, wrongfully and without lawful cause terminated Plaintiffs.



1       42. Based on Defendants' breach of contract as mentioned above, Plaintiffs  
2 are entitled to expectation, incidental, and consequential damages in an amount to be  
3 determined at trial.

4                               **Third Cause of Action**

5                               Breach of Implied Covenant of Good Faith and Fair Dealing

6       43. Paragraphs 1 through 31 above are incorporated herein by reference as if  
7 fully pleaded in this Third Cause of Action.

8       44. Plaintiffs' employment contracts have implied in law a covenant of good  
9 faith and fair dealing by which Defendants promised to give full cooperation to each  
10 Plaintiff in their performance under the employment contracts and to refrain from  
11 any act that would prevent or impede Plaintiffs from performing all of the conditions  
12 of the agreement.

13       45. Defendants breached their implied covenant of good faith and fair  
14 dealing with Plaintiffs by: (a) by terminating Plaintiffs' employment without a lawful  
15 cause; and (b) by discriminating against Plaintiffs when Defendants failed and refused  
16 to make available to Plaintiffs equal employment opportunities to be transferred to  
17 and work at Defendant Top Fashion despite extending such accommodation to  
18 Chinese workers similarly situated.

19       46. As a proximate cause of Defendants' breach of the covenant of good  
20 faith and fair dealing, Plaintiffs have suffered and continue to suffer substantial losses  
21 in earnings and other employee benefits that they would have received had  
22 Defendants not breached the agreement, in an amount to be determined at trial.

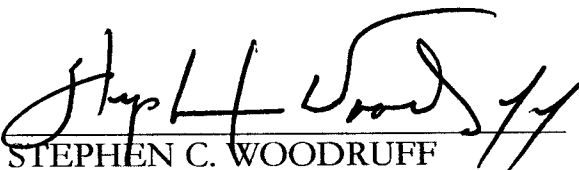
23       47. The above-mentioned acts of Defendants were willful, wanton,  
24 malicious, and oppressive, and justify an award of punitive and exemplary damages in  
25 an amount to be determined at trial.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs respectfully request for the following relief:

- (1) An award of punitive damages and lost earnings and other employment benefits according to law and proof under the First Cause of Action;
- (2) An award of expectation, incidental, and consequential damages according to law and proof under the Second Cause of Action;
- (3) An award of punitive and exemplary damages according to law and proof under the Third Cause of Action;
- (4) An award of reasonable attorney's fees and costs;
- (5) Such other and further relief as this Court deems just and proper.

DATED this 15<sup>th</sup> day of January, 2008.

  
STEPHEN C. WOODRUFF  
Attorney for Plaintiffs